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SPRINT AND PUBLIC COUNSEL RESOLVE STORM COST ISSUE

Tallahassee—Florida's Public Counsel Harold McLean announced today that his office has reached a settlement with Sprint Telecommunications that may allow the company to bill customers for some of its costs resulting from the 2004 hurricanes that swept the state, causing widespread utility damage.

According to the agreement, Sprint incurred \$148 million in extraordinary expenses to repair 2004 hurricane damage and the company's customers will be required to pay an additional \$.93 per month surcharge over the next two years, amounting to \$30 million. The agreement must be approved by the Florida Public Service Commission before the additional charges appear on customer bills.

"We do not believe that under current law Sprint is entitled to pass along any of these storm costs and we will vigorously argue this position to the Florida Public Service Commission," said McLean.

"If the Commission decides that the company can increase its rates, then we support this agreement with Sprint because it represents a reasonable approach to the proposition that when unforeseen, catastrophic events happen, both shareholders and customers should bear their fair share of the cost of the recovery," stated McLean. "After reviewing the costs, Sprint customers will only be asked to contribute 20% of the total recovery effort, and that fits my definition of fair and reasonable, if there is to be any surcharge at all," he added.

McLean pointed out that the agreement is consistent with Public Counsel's position in two other high-profile storm cases involving Florida Power and Light and Progress Energy of Florida where his office opposes company proposals to shift all of the costs of hurricane restoration to utility customers. Florida Power and Light is asking customers to pay over \$500 million extra for hurricane restoration work and Progress Energy is asking for an additional \$270 million.